

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN JOHN WITT**, on January 19, 1999 at
8:01 A.M., in Room 201 Capitol.

ROLL CALL

Members Present:

Rep. John Witt, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. William Crismore (R)
Rep. Dick Haines (R)
Sen. Linda Nelson (D)
Rep. Joe Tropila (D)

Members Excused: None.

Members Absent: None.

Staff Present: Summer Alger, Committee Secretary
Roger Lloyd, Legislative Branch
Doug Schmitz, OBPP

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 2 - DNRC Budget
Executive Action: HB 2 - DNRC Budget

HEARING ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

**{Tape : 1; Side : A; Approx. Time Counter : 2.4 → Tape : 1; Side
: B; Approx. Time Counter : 24.3}**

Don Artley presented the second half of the Forestry Division
overview. Beginning with the aviation program, he discussed
vehicles, average cost of fires by size class, then the budget,
funding, and FTE's.

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Bud Clinch, Director, DNRC, discussed privatization and stated that the way things are done presently is the most cost effective. He then reiterated by commenting that the Legislative auditor confirmed this point.

Next, **Director Clinch** addressed fire danger in relation to aviation vehicles, with **Don Artley** returning the discussion back to the budget. **Sen. Keating** asked who pays the hourly rate to which **Mr. Artley** replied anyone who uses the aircraft. The DNRC legal opinion concerning the 3% increase of the hourly rate, is that it does not fall under CI-75.

Sen. Keating asked about any increase in the cost of parts, then **Mr. Artley** commented on Fee/Rate information (current history) for Legislative action ~ requested rates for Internal Service funds.

Sen. Nelson inquired about the pay grade of a pilot and **Rep. Haines** asked what they do with the pilots during winter. **Sen. Crismore** then commented on the lack of coordination anymore, between the private sector of loggers and agencies, especially up in the Libby area.

Next, **Roger Lloyd** began discussion of the LFD Issues of the Forestry Division budget requests. He began with the proposed budget table on page **C-163** of the Legislative Budget Analysis 2001 Biennium: Agency Budgets, Vol. 1, January 1999, LFD, moved on to the Present Law Adjustments table on page **C-165**, then to division funding, Table 13, on page **C-164**.

**The Legislative Budget Analysis (LBA) 2001 budget book will not be referred to as an exhibit, however, budget information from other sources will be noted as exhibits.*

In response to a question from **Sen. Keating** on the fire protection tax, the discussion turned to the CI-75 Issues on the bottom of page **C-173** of the LBA 2001 budget book. Table 15 on page **C-174** points out where there will be present law increases within Fire Protection Taxes. **Director Clinch** commented on the issue, also.

Equipment funding requests on page **C-174** were discussed along with Federal funding in the center paragraph of page **C-164**.

Break @ 8:55am {**Tape : 1; Side : B; Approx. Time Counter : 17.4**}

Roger Lloyd handed out DNRC Provisions of Fire Protection Services statutes.

EXHIBIT(jnh14a01)

Sen. Keating questioned **Don Artley** and had a discussion on rates. He found that the Legislature sets amounts , then they, the DNRC, set the rates.

Present Law Adjustments:

DP 2

Don Artley discussed this decision package, while **Sen. Keating** asked a series of questions, including whether this is Federal revenue or a reimbursement of General Fund monies. **Doug Schmitz** then commented in it being a language appropriation and on the \$350,000 allotted in 1997.

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 2; Side : A; Approx. Time Counter : 3.5}

Motion/Vote: SEN. NELSON moved that DP 2 BE ADOPTED AS RESTRICTED, INCLUDING THE 3RD LFD ISSUE ON PAGE C-166, PLUS THE LANGUAGE ON FIRE REIMBURSEMENT FUNDS. SECONDED by SEN. CRISMORE. Motion carried unanimously.

**HEARING ON HB 2 - DNRC BUDGET - CONSERVATION & RESOURCE
DEVELOPMENT DIVISION**

{Tape : 2; Side : A; Approx. Time Counter : 6.5 → Tape : 2; Side : B; Approx. Time Counter : 11.3}

Gloria Paladichuk handed out copies of her testimony from February 18, 1999, including written testimony from Robert Gross and Bill Barr.

EXHIBIT(jnh14a02), **EXHIBIT(jnh14a03)**, and **EXHIBIT(jnh14a04)**, respectively.

Break @ 9:23am *{Tape : 2; Side : A; Approx. Time Counter : 9}*

DP 2005

Ray Beck gave a brief overview on this decision package, then **Ralph Peck** commented on the 2005 Task Force.

Greg Rauschendorfer, Lower Yellowstone REA, Sidney, discussed dry land irrigation, including quality of product, precision

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marketing, and supply. **John Bloomquist, Legal Council, Montana Stock Growers Association**, commented also.

Sen. Keating asked who is going to provide the capitol investment for the Vision 2005, irrigated acres. **Mr. Rauschendorfer** replied that they are asking the State of Montana to "tap a little harder on the Coal Trust Fund..." and Federal grant monies for feasibility studies. **Ralph Peck** gave additional comments, as did **John Bloomquist**.

Chairman Witt questioned **Mr. Peck** on Canada, with **Sen. Keating** also inquiring about Canadian subsidies, and his main concern, where are they going to get the capitol. **Mr. Rauschendorfer** addressed this issue, then **Ray Beck** and **Mr. Bloomquist** commented.

**EXECUTIVE ACTION ON HB 2 - DNRC BUDGET- CONSERVATION & RESOURCE
DEVELOPMENT DIVISION**

{Tape : 2; Side : B; Approx. Time Counter : 11.3}

Motion/Vote: **SEN. NELSON** moved that **DP 2005 BE ADOPTED ONE-TIME-ONLY AND RESTRICTED. SECONDED** by **SEN. KEATING**. Motion carried unanimously.

DP 2006

Sen. Nelson asked how they came up with 3 FTE's, to which **Ralph Peck** replied that 1 is for administrative support and the other 2 are to be in the field with the people. **Director Clinch** then stated that the 3 FTE's could be reduced to 2.5 FTE's because .5 FTE is in the Miles City office.

**EXECUTIVE ACTION ON HB 2 - DNRC BUDGET- CONSERVATION & RESOURCE
DEVELOPMENT DIVISION**

{Tape : 2; Side : B; Approx. Time Counter : 17.4}

Motion/Vote: **SEN. NELSON** moved that **DP 2006 BE ADOPTED AT 2.5 FTE'S WITH THE BUDGET ADJUSTED ACCORDINGLY. SECONDED** by **SEN. CRISMORE**. Motion carried unanimously.

Sen. Keating commented on MEPA and impractical applications. A handout was given to the committee with additions to the executive budget for consideration by the subcommittee.

EXHIBIT (jnh14a05)

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The language appropriation #4 on the bottom of Exhibit 5 was commented on by **Ray Beck**, while **Roger Lloyd** also commented that it is contingent upon the passage of HB 74 being passed, so the committee may want to wait to make adjustment on waste water project.

**EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - CONSERVATION & RESOURCE
DEVELOPMENT DIVISION**

No action taken on LA 4 since it is subject to the outcome of HB 74.

Discussion of EXHIBIT 5 commenced with Rocky Boys/North Central Montana Regional Water System.

Chairman Witt moved #1 on exhibit 5, then **Sen. Nelson** asked to keep it with Dry Prairie Rural Water/Fort Peck Assiniboine and Sioux Regional Water System, #3 of Exhibit 5. **Chairman Witt** withdrew his motion, and **Sen. Keating** directed the committee to page **C-127** of the LBA 2001 budget book, asking why not take a couple of hundred thousand dollars from Renewable Resources Development Account.

**EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - WATER RESOURCES &
CONSERVATION & RESOURCE DEVELOPMENT DIVISIONS**

{Tape : 3; Side : A; Approx. Time Counter : 3.2}

Motion/Vote: REP. WITT moved that ROCKY BOYS/NORTH CENTRAL MONTANA REGIONAL WATER SYSTEM & THE DRY PRAIRIE RURAL WATER/ FORT PECK ASSINIBOINE AND SIOUX REGIONAL WATER SYSTEM BE APPROPRIATED \$100,000 EACH FOR THE BIENNIUM BE ADOPTED AND THAT THESE FUNDS COME OUT OF THE RENEWABLE RESOURCES ACCOUNT AS ONE-TIME-ONLY AND BIENNIAL. SECONDED by SEN. NELSON. Motion carried unanimously.

Motion/Vote: SEN. NELSON moved that EASTERN PLAINS RESOURCE CONSERVATION AND DEVELOPMENT APPROPRIATION OF \$50,00 EACH FISCAL YEAR FROM COAL SEVERANCE TAX REVENUE BE ADOPTED AS ONE-TIME-ONLY AND RESTRICTED. SECONDED by SEN. KEATING. Motion carried unanimously.

HEARING ON HB 2 - DNRC BUDGET - FORESTRY DIVISION (cont'd)

Present Law Adjustments:

DP 3

Don Artley discussed this decision package while answering **Sen. Crismore's** question on the average mileage of the initial attack vehicles.

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 3; Side : A; Approx. Time Counter : 26.6}

Motion/Vote: SEN. NELSON moved that DP 3 BE ADOPTED. SECONDED by SEN. CRISMORE. Motion carried unanimously.

DP 5

Don Artley commented on this decision package and replied to questions from the committee.

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 3; Side : B; Approx. Time Counter : 1.9}

Motion/Vote: SEN. KEATING moved that DP 5 BE ADOPTED. SECONDED by SEN. CRISMORE. Motion carried unanimously.

DP 7

No action taken since it is contingent on the passage of HB 124.

DP 8

Don Artley commented that this decision package is funded by 2/3 General Fund and 1/3 State Special Revenue.

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 3; Side : B; Approx. Time Counter : 10.1}

Motion/Vote: SEN. CRISMORE moved that DP 8 BE ADOPTED. SECONDED by SEN. KEATING. Motion carried unanimously.

DP 13

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 3; Side : B; Approx. Time Counter : 12.7}

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Motion/Vote: SEN. NELSON moved that DP 13 BE ADOPTED AS ONE-TIME-ONLY. SECONDED by REP. HAINES. Motion carried unanimously.

DP 30

Don Artley discussed this decision package, while Roger Lloyd commented on the LFD Issues. Sen. Nelson questioned Don Artley, as did Sen. Keating on why the department does not stay the way they are. Mr. Artley replied that they are looking for ways to save General Fund. Sen. Keating then asked if they had to raise the fire protection fees to do this, to which he replied yes, that is the downside, a \$2.00 increase, and that yes it falls within statutory allowables if all is okayed.

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 3; Side : B; Approx. Time Counter : 22}

Motion/Vote: SEN. NELSON moved that DP 30 BE ADOPTED. SECONDED by SEN. KEATING. Motion carried unanimously.

DP 3501

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 3; Side : B; Approx. Time Counter : 23.8}

Motion/Vote: SEN. KEATING moved that DP 3501 BE ADOPTED. SECONDED by SEN. NELSON. Motion carried unanimously.

DP 3502

Roger Lloyd discussed the LFD Issues on page C-169 of the LBA 2001 budget book, and Sen. Keating inquired about the length of contracted services for a particular receptionist.

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 4; Side : A; Approx. Time Counter : 0}

Motion/Vote: SEN. CRISMORE moved that DP 3502 WITH THE ADJUSTMENT OF \$10,000 FOR THE BIENNIUM AND \$20,000 BE ADOPTED AS ONE-TIME-ONLY. SECONDED by REP. HAINES. Motion carried unanimously.

DP 3503

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 4; Side : A; Approx. Time Counter : 1.3}

Motion/Vote: SEN. NELSON moved that DP 3503 BE ADOPTED. SECONDED by SEN. KEATING. Motion carried unanimously.

DP 3504

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 4; Side : A; Approx. Time Counter : 2.2}

Motion/Vote: SEN. KEATING moved that DP 3504 BE ADOPTED AS ONE-TIME-ONLY AND RESTRICTED. SECONDED by REP. HAINES. Motion carried unanimously.

DP 3505 & DP 3507

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 4; Side : A; Approx. Time Counter : 6.7}

Motion/Vote: SEN. CRISMORE moved that DP 3505 BE ADOPTED & THAT DP 3507 BE ADOPTED AS ONE-TIME-ONLY AND RESTRICTED. SECONDED by REP. TROPILA. Motion carried unanimously.

DP 3506

Rep. Haines asked about renting versus owning a modular. Rep. Tropila showed concern over the LFD Issue and if it should be in HB 5, and Ann Bauchman replied.

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 4; Side : A; Approx. Time Counter : 18.6}

Motion/Vote: SEN. CRISMORE moved that DP 3506 BE ADOPTED. SECONDED by SEN. KEATING. Motion failed 2-4 with Nelson and Crismore voting aye.

{Tape : 4; Side : A; Approx. Time Counter : 20.5}

Motion/Vote: REP. WITT moved that DP 3506 BE PUT INTO HB 5. SECONDED by SEN. NELSON. Motion carried unanimously.

DP 3508 & DP 3509

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 4; Side : A; Approx. Time Counter : 22.2}

Motion/Vote: SEN. KEATING moved that DP 3508 & DP 3509 BE
ADOPTED. SECONDED by SEN. CRISMORE. Motion carried unanimously.

DP 3510

Director Clinch commented while **Roger Lloyd** discussed the LFD
Issues on page C-171 of the LBA 2001 budget book and Proprietary
Rates on the bottom of page C-174.

Sen. Keating questioned **Don Artley** on the 3 pilots and he replied
that all 3 are in Helena, except during the field season when
they are out of Missoula. The **Senator** then inquired if they could
have 1 eight month pilot and 2 seasonals, to which **Mr. Artley**
replied that therein lies a market problem.

Roger Lloyd discussed that proprietary rates are rates charged to
users of the aircraft, and that the salaries would not affect the
rates.

Rep. Haines then asked why they are changing from 3 months of
service to 8 months, and **Rep. Tropila** asked what the pilots would
do with no fires. **Director Clinch** replied that there would be
training and administrative flying. **Rep. Tropila** then asked how
many others get their certification paid for by the State. **Randy
Mosely** added to the comments by **Director Clinch**. **Sen. Crismore**
commented, then **Chairman Witt** stated that the committee needed an
alternative because 8 months of employment for the pilots is too
much.

DP 3511

Roger Lloyd commented that this decision package is the other end
of the proprietary account.

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 4; Side : B; Approx. Time Counter : 9.2}

Motion/Vote: SEN. KEATING moved that DP 3511 BE ADOPTED.
SECONDED by REP. HAINES. Motion carried unanimously.

DP 3512

EXECUTIVE ACTION ON HB 2 - DNRC BUDGET - FORESTRY DIVISION

{Tape : 4; Side : B; Approx. Time Counter : 9.9}

Motion/Vote: SEN. CRISMORE moved that DP 3512 BE ADOPTED.
SECONDED by REP. TROPILA. Motion carried unanimously.

ADJOURNMENT

Adjournment: 11:58 A.M.

REP. JOHN WITT, Chairman

SUMMER ALGER, Secretary

JW/SA

EXHIBIT (jnh14aad)